

## Bur. of Consumer Financial Protection

## § 1013.2

days of receipt of this request. The time and place for the hearing shall be fixed with due regard for the public interest and the convenience and necessity of the parties of their representatives.

(c) Failure to answer within the time allowed by paragraph (a) of this section, or failure to appear at a duly scheduled hearing shall result in an appropriate order under § 1010.14, § 1010.15, or § 1010.16 of this chapter terminating the developer's exemption. The order shall be effective as of the date of service or receipt.

### PART 1013—CONSUMER LEASING (REGULATION M)

Sec.

1013.1 Authority, scope, purpose, and enforcement.

1013.2 Definitions.

1013.3 General disclosure requirements.

1013.4 Content of disclosures.

1013.5 Renegotiations, extensions, and assumptions.

1013.6 [Reserved]

1013.7 Advertising.

1013.8 Record retention.

1013.9 Relation to state laws.

APPENDIX A TO PART 1013—MODEL FORMS

APPENDIX B TO PART 1013 [RESERVED]

APPENDIX C TO PART 1013—ISSUANCE OF OFFICIAL INTERPRETATIONS

SUPPLEMENT I TO PART 1013—OFFICIAL INTERPRETATIONS

AUTHORITY: 12 U.S.C. 5512, 5581; 15 U.S.C. 1604, 1667f.

SOURCE: 76 FR 78502, Dec. 19, 2011, unless otherwise noted.

#### § 1013.1 Authority, scope, purpose, and enforcement.

(a) *Authority.* The regulation in this part, known as Regulation M, is issued by the Bureau of Consumer Financial Protection to implement the consumer leasing provisions of the Truth in Lending Act, which is Title I of the Consumer Credit Protection Act, as amended (15 U.S.C. 1601 *et seq.*). Information collection requirements contained in this part have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. 3501 *et seq.* and have been assigned OMB control number 3170-0006.

(b) *Scope and purpose.* This part applies to all persons that are lessors of

personal property under consumer leases as those terms are defined in § 1013.2(e)(1) and (h), except persons excluded from coverage of this part by section 1029 of the Consumer Financial Protection Act of 2010, Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), Public Law 111-203, 124 Stat. 1376. The purpose of this part is:

(1) To ensure that lessees of personal property receive meaningful disclosures that enable them to compare lease terms with other leases and, where appropriate, with credit transactions;

(2) To limit the amount of balloon payments in consumer lease transactions; and

(3) To provide for the accurate disclosure of lease terms in advertising.

(c) *Enforcement and liability.* Section 108 of the Act contains the administrative enforcement provisions. Sections 112, 130, 131, and 185 of the Act contain the liability provisions for failing to comply with the requirements of the Act and this part.

#### § 1013.2 Definitions.

For the purposes of this part the following definitions apply:

(a) *Act* means the Truth in Lending Act (15 U.S.C. 1601 *et seq.*) and the Consumer Leasing Act is Chapter 5 of the Truth in Lending Act.

(b) *Advertisement* means a commercial message in any medium that directly or indirectly promotes a consumer lease transaction.

(c) *Bureau* refers to the Bureau of Consumer Financial Protection.

(d) *Closed-end lease* means a consumer lease other than an open-end lease as defined in this section.

(e)(1) *Consumer lease* means a contract in the form of a bailment or lease for the use of personal property by a natural person primarily for personal, family, or household purposes, for a period exceeding four months and for a total contractual obligation not exceeding the applicable threshold amount, whether or not the lessee has the option to purchase or otherwise become the owner of the property at the expiration of the lease. The threshold amount is adjusted annually to reflect increases in the Consumer Price Index